

ADDITIONAL REQUIREMENTS BASED ON FEDERAL REGULATIONS

1. ~~By March 31, 2004 the~~ The Contractor shall implement and maintain written policies and procedures respecting advance directives in compliance with the requirements of Title 42, Code of Federal Regulations (CFR), Sections 422.128 and 438.6(i)(1), (3) and (4). Any written materials prepared by the Contractor for beneficiaries shall be updated to reflect changes in state laws governing advance directives as soon as possible, but no later than 90 days after the effective date of the change.
2. The Contractor shall obtain approval from the Department prior to implementing a Physician Incentive Plan as described at Title 42, CFR, Section 438.6(h). The Department shall approve the Contractor's request only if the proposed Physician Incentive Plan complies with all applicable federal and state regulations.
3. The Contractor shall make a good faith effort to give written notice of termination of a contract with an individual, group or organizational provider, within 15 days after receipt or issuance of the termination notice to the contract provider, to each beneficiary who received his or her mental health services from, or was seen on a regular basis by, the terminated contract provider.
4. The Contractor shall develop, implement and maintain written policies that address the beneficiary's rights and responsibilities as required by Title 42, CFR, Section 438.100 and shall communicate these policies to its beneficiaries and providers.
5. The Contractor shall not prohibit, or otherwise restrict, a licensed, waived, or registered professional as defined in Title 9, California Code of Regulations (CCR), Sections 1810.223 and 1810.254 acting within the lawful scope of practice, from advising or advocating on behalf of a beneficiary for whom the provider is providing mental health services for the following: the beneficiary's health status, medical care, or treatment options, including any alternative treatment that may be self-administered; any information the beneficiary needs in order to decide among all relevant treatment options; the risks, benefits, and consequences of treatment or nontreatment; the beneficiary's right to participate in decisions regarding his or her health care, including the right to refuse treatment, and to express preferences about future treatment decisions.
6. The Contractor shall obtain prior approval from the Department if the Contractor intends to refuse to provide or arrange and pay for a covered service because the Contractor objects to the service on moral or religious grounds. The Department shall approve the request only if the State is able to provide adequate access to the service or services the Contractor does not intend to provide. If the Department does not approve the request, the Contractor may terminate the contract in accordance with Exhibit E, Section 4.B.
7. Pursuant to Title 9, CCR, Section 1810.365, the Contractor or an affiliate, vendor, contractor, or sub-subcontractor of the Contractor shall not submit a claim to, demand or otherwise collect reimbursement from, the beneficiary or persons acting on behalf of the beneficiary for any specialty mental health or related administrative services provided under this contract except to collect other health insurance coverage, share of

cost and co-payments. The Contractor or an affiliate, vendor, contractor, or sub-contractor of the Contractor shall not hold beneficiaries liable for debts in the event that the Contractor becomes insolvent, for costs of covered services for which the State does not pay the Contractor, for costs of covered services for which the State or the Contractor does not pay the Contractor's providers, for costs of covered services provided under a contract, referral or other arrangement rather than from the Contractor, or for payment of subsequent screening and treatment needed to diagnose the specific condition of or stabilize a beneficiary with an emergency psychiatric condition.

8. ~~Effective January 1, 2004 the Contractor shall initiate the process for compliance with Title 42, CFR, Section 438.236 and shall be in full compliance no later than June 30, 2004. The Contractor shall provide the Department with a written statement of the Contractor's progress in implementing the requirement no later than April 15, 2004 and June 15, 2004. The Contractor shall comply with Title 42, CFR, Section 438.236, in which the Contractor is a PIHP (Prepaid Inpatient Health Plan), which provides:~~

Sec. 438.236 Practice guidelines.

- (a) Basic rule: The State must ensure, through its contracts, that each MCO and, when applicable, each PIHP and PAHP meets the requirements of this section.
 - (b) Adoption of practice guidelines. Each MCO and, when applicable, each PIHP and PAHP adopts practice guidelines that meet the following requirements:
 - (1) Are based on valid and reliable clinical evidence or a consensus of health care professionals in the particular field.
 - (2) Consider the needs of the MCO's, PIHP's, or PAHP's enrollees.
 - (3) Are adopted in consultation with contracting health care professionals.
 - (4) Are reviewed and updated periodically as appropriate.
 - (c) Dissemination of guidelines. Each MCO, PIHP, and PAHP disseminates the guidelines to all affected providers and, upon request, to enrollees and potential enrollees.
 - (d) Application of guidelines. Decisions for utilization management, enrollee education, coverage of services, and other areas to which the guidelines apply are consistent with the guidelines.
9. The Contractor shall maintain a health information system that collects, analyzes, integrates, and reports data and provides information on areas including, but not limited to, utilization, grievances and appeals. The basic elements of the health information system shall at a minimum, collect data on beneficiary and provider characteristics as specified by the Department, and on services furnished to beneficiaries as specified by the Department; ensure that data received from providers is accurate and complete by verifying the accuracy and timeliness of reported data; screening the data for completeness, logic, and consistency; and collecting service information in standardized formats to the extent feasible and appropriate. Nothing in this Section requires that all elements of the Contractor's health information system to be collected and analyzed in electronic formats.
10. Consistent with the requirements of Exhibit A, Attachment 1, Section J, and Title 42, CFR, Section 438.10, the Contractor shall:

- A. Ensure that written materials developed by the Contractor for beneficiaries use easily understood language and format.
 - B. Make written materials available to beneficiaries in alternate formats and in an appropriate manner that takes into consideration the special needs of those who, for example, are visually limited or have limited reading proficiency.
 - C. Make oral interpretation services available free of charge to beneficiaries in all non-English languages.
11. The Contractor shall certify each claim submitted to the State in accordance with Title 9, CCR, Section 1840.112 at the time the claims are submitted to the State. The Contractor's Chief Financial Officer or equivalent or an individual with authority delegated by the Chief Financial Officer shall sign the certification under penalty of perjury that the state share of payment for services covered by the claim has been provided in order to satisfy the matching requirements for federal financial participation. The Contractor's Mental Health Director or an individual with authority delegated by the Mental Health Director shall sign the certification under penalty of perjury that, to the best of his or her knowledge and belief, the claim is in all respects true, correct and in accordance with the law and meets the requirements of Title 9, CCR, Section 1840.112(b). The Contractor shall have mechanisms that support the Mental Health Director's certification, including the certification that the services for which claims were submitted were actually provided to the beneficiary. If the Department requires additional information from the Contractor that will be used to establish State payments to the Contractor, the Contractor shall certify the additional information provided in accordance with Title 42, CFR, Section 438.604.
12. Persons with special health care needs for the purpose of this contract are adults who have a serious mental disorder and children with a serious emotional disturbance. The Contractor shall identify persons with special health care needs through the administration of surveys in accordance with the Department's Performance Outcome System pursuant to the performance contract between the county of the Contractor and the Department required by Welfare and Institutions Code, Section 5650 et seq.
13. The Contractor shall monitor the performance of its subcontractors on an ongoing basis for compliance with the terms of the this contract and shall subject the contractors' performance to periodic formal review, at a minimum in accordance with the recertification requirements of Section K. If the Contractor identifies deficiencies or areas for improvement, the Contractor and the subcontractor shall take corrective action.